

CLAIMS

1. A method of transferring a security in an entity, the method comprising the steps of:

5 consummating by a first party and a second party a transaction in the security, the first party and the second party being distinct from the entity; and
paying a royalty on the transaction to the entity.

10 2. The method of claim 1, wherein the step of paying a royalty on the transaction is performed by at least one of the first party and the second party.

15 3. A method of transferring a security in an entity, comprising:
consummating a transaction between a first party that sells the security at a first price and a second party that buys the security at a second price different than the first price; and
transferring at least a portion of a difference between the second price and first price to the entity;
wherein the entity does not participate in the step of consummating the transaction.

20 4. A method of conducting a transaction in a security issued by an entity, comprising the steps of:

25 consummating a transaction in the security from a first party to a second party, said first party and said second party being different parties, said first party and said second party being different than said entity; and
providing a royalty to the entity as a result of the transaction;
wherein the entity does not participate in the step of consummating the transaction.

30 5. A method of facilitating the purchase of a security issued by an entity, comprising the steps of:

facilitating payment of a first sum by a first party to a second party in connection with a transaction in the security; and
facilitating payment of a royalty by at least one of the first party and the second party to the entity for the transaction in the security;

wherein the entity does not facilitate payment of the second sum.

6. A method of transferring a security in an entity by a party having a first client, comprising the steps of:

5 obtaining by the party from the first client an instruction requesting the party to at least one of purchase the security or sell the security;
executing the instruction on behalf of the party; and
paying by the party to the entity a royalty upon execution of the instruction;
wherein the party is not the entity.

10 7. A method of transferring a security of an issuing entity owned by a mutual fund, comprising:

15 purchasing, by the mutual fund, said security;
proportioning the mutual fund to determine a value of the mutual fund represented by the security;
purchasing, by a first participant, a share of the mutual fund; and
transferring to the entity, in connection with the step of purchasing, a royalty at least partially determined by the step of proportioning the mutual fund.

20 8. A method of structuring a sale in a security issued by an entity, comprising:

 selling the security by a first party to a second party, the first and second parties being distinct entities from the issuing entity; and
 paying a royalty on the sale of the security to the entity that issued the security.

25 9. A computer-implemented method of exchanging securities issued by an entity, comprising the steps of:

 receiving a first instruction from a first party to purchase at least one of said securities;
 receiving a second instruction from a second party to sell at least one of said securities;
 matching the first instruction with the second instruction to execute a transaction in said securities; and
 calculating a royalty to be paid to the entity for the transaction,

wherein the first party and second party are distinct from the entity.

10. The method of claim 9, further comprising a step of determining if the transaction is a royalty generating transaction prior to calculating the royalty to be paid to the entity.

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11. The method of claim 9, wherein the royalty is at least one of a percentage of a fee received by an exchange on which the transaction occurs, a portion of a fee charged by an intermediary, and a portion of an increase in value of the security since it last was purchased or sold.

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12. The method of claim 11, wherein the intermediary is at least one of a market maker and a broker.

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13. The method of claim 9, further comprising a step of automatically paying the royalty to the entity.

14. The method of claim 9, further comprising a step of debiting an account on behalf of the entity to collect the royalty.

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15. The method of claim 14, further comprising a step of transferring the royalty to an account maintained on behalf of the entity.

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16. A computerized exchange for exchanging securities between parties distinct from an issuing entity having at least one central processing unit (CPU), and at least one memory storage device having stored therein a set of exchange instructions for execution by the at least one CPU, the set of exchange instructions providing, when so executed, at least one user with the ability to conduct a transaction between the parties, the set of exchange instructions comprising:

a first set of instructions constructed and arranged to consummate a transaction in securities issued by the issuing entity; and

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a second set of instructions constructed and arranged to calculate a royalty owed to the issuing entity due to the transaction.

17. Storage media containing software that, when executed on a computing system, performs a method for exchanging securities, the method comprising the steps of:

5 consummating a transaction in securities issued by an issuing entity between a first party and a second party, the first and second party being distinct from the issuing entity; and determining a royalty to be paid to the issuing entity because of the transaction.

10 18. A computer system for use in a process of exchanging securities, comprising:

means for consummating a transaction in securities issued by the issuing entity between parties distinct from the issuing entity; and

15 means for determining a royalty to be paid to the issuing entity because of the transaction.

19. A royalty calculated by the steps of:

ascertaining an occurrence of a transaction in securities issued by an issuing entity between participants distinct from the entity; and

determining the royalty to be paid to the issuing entity as a result of the occurrence of the transaction.

20 20. A computer system for use in the process of exchanging securities, comprising:

a computer having at least one central processing unit, an operating system, and at least one memory storage device having stored therein a set of exchange instructions for execution by the at least one CPU, the set of exchange instructions providing, when so executed, at least one user with the ability to conduct a transaction between participants distinct from the issuing entity, the set of exchange instructions comprising:

25 a set of instructions constructed and arranged to receive inputs from participants distinct from the entity related to transactions involving securities;

a set of instructions constructed and arranged to facilitate the transactions between the participants; and

30 a set of instructions constructed and arranged to calculate royalties owed to issuing entities of the securities involved in the transactions.

21. The computer system of claim 20, wherein the set of exchange instructions is configured to run autonomously on the computer to enable transactions to occur without the intervention of a human operator.

5 22. The computer system of claim 20, wherein the set of exchange instructions is configured to require at least one of intervention and approval by a human operator for at least a portion of transactions handled by the exchange.

10 23. The computer system of claim 20, wherein the set of exchange instructions is configured to enable transactions to occur between anonymous parties.

15 24. The computer system of claim 20, wherein the set of exchange instructions is configured to determine at least one of a credit rating and a financial rating of at least one of the parties to the transaction.

20 25. The computer system of claim 20, further comprising a communications unit configured and arranged to connect the computer to a wide area network.

25 26. The computer system of claim 25, wherein the communications unit is configured and arranged to connect the computer to a plurality of user terminals via the wide area network.

28 27. The computer system of claim 25, wherein the wide area network comprises a plurality of dedicated connections between the user terminals and the computer.

30 28. The computer system of claim 25, wherein the wide area network comprises a public network.

30 29. The computer system of claim 25, wherein communications over the wide area network are encrypted using an encryption algorithm.

30 30. The computer system of claim 20, wherein the memory system comprises at least

one of a random access memory, a read only memory, and a database.

31. The computer system of claim 20, further comprising an output device connected to the computer and configured to provide information to a user.

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32. The computer system of claim 20, further comprising an input device connected to the computer and configured to enable a user to input information to the main unit.

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33. The computer system of claim 20, wherein the set of exchange instructions is configured to match buy and sell orders and to calculate the royalty to be paid to the issuing entity upon at least one of completion of the transaction and upon matching of a buy and sell order.

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34. The computer system of claim 20, wherein the set of exchange instructions is configured to facilitate transactions 24 hours per day, seven days per week.

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35. The computer system of claim 20, wherein the set of exchange instructions is configured to facilitate transactions for limited defined trading hours.

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→ 36. An exchange configured to intermediate transactions in securities issued by at least one entity between participants distinct from the entity, comprising:

a first set of rules relating to a protocol for conducting transactions in the securities between the participants; and

a second set of rules relating to payment of royalties to issuing entities of securities involved in transactions.

37. The exchange of claim 36, further comprising a third set of rules relating to payment of an exchange fee to the exchange for transactions conducted on the exchange.

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38. The exchange of claim 36, further comprising at least one computer programmed to implement at least one of the first set of rules and the second set of rules.

39. A computerized stock exchange, comprising:

a computer programmed to implement a first set of stock exchange rules relating to a protocol for conducting transactions in stock on the exchange between participants distinct from issuing entities of the stock;

5 a computer programmed to implement a second set of stock exchange rules relating to payment of royalties to the issuing entities of the stocks involved in transactions on the exchange.

10 40. A set of rules governing transactions on an exchange, said set of rules comprising:

rules relating to protocol for conducting transactions in securities between participants distinct from issuing entities of the securities; and

15 rules relating to payment of royalties to the issuing entities of the securities involved in the transactions.

20 41. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security comprises a voting right in the entity.

25 42. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security represents a debt interest in the entity

20 43. The method of claim 42, wherein the security comprises a note issued by the entity.

25 44. The method of claim 42, wherein the security comprises a bond issued by the entity.

30 45. The method of claim 42, wherein the security comprises a debenture issued by the entity

35 46. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security represents an equity interest in the entity.

47. The method of claim 46, wherein the security comprises a stock issued by the

entity.

5 48. The method one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security comprises a certificate of interest or participation in at least one of a profit-sharing agreement and an oil, gas, or mineral royalty or lease issued by the entity.

10 *S. J. P.* 49. The method one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security comprises at least one of a collateral-trust certificate, a preorganization certificate or subscription, a transferable share, an investment contract, a voting-trust certificate, and a certificate of deposit for a security issued by the entity.

15 50. The method one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security comprises an option in securities issued by the entity.

20 51. The method of claim 50, wherein the option comprises a put option.

25 52. The method of claim 50, wherein the option comprises a call option.

30 53. The method of claim 50, wherein the option comprises a straddle option.

20 54. The method of claim 50, wherein the option comprises a privilege on at least one of a certificate of deposit, and group or index of securities.

25 *S. J. P.* 55. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security is convertible, with or without consideration, into another security, or carries a warrant or right to subscribe to or purchase such other security.

30 *S. J. P.* 56. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security comprises a certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, a security issued by the entity.

57. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security is

issued by a corporation.

58. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security is issued by a partnership.

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59. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security is issued by a limited liability company.

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60. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security is issued by a limited liability partnership.

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61. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security is issued by a trust.

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62. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security is issued by a labor group.

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63. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security is issued by a union.

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64. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security is issued by a mutual fund.

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65. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the security is issued by at least one of an individual and a group of individuals with assets or which are capable of providing goods or services.

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66. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the royalty is a measure of economic benefit to the issuing entity.

67. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the royalty is a

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measure of economic detriment to at least one of the other parties or intermediaries involved in
the transaction.

68. The method of claim 67, wherein the royalty comprises a percentage of the seller's

5 profit.

69. The method of claim 67, wherein the commission comprises a percentage of an
increase in value of the security from a previous transaction involving the same security.

10 70. The method of claim 67, wherein the royalty comprises a percentage of the value of
the securities involved in the transaction.

15 71. The method of claim 67, wherein the royalty comprises a percentage of the number
of securities involved in the transaction.

20 72. The method of claim 67, wherein the royalty comprises a portion of the security
itself.

25 73. The method of claim 67, wherein the royalty comprises a right to buy other
securities.

74. The method of claim 67, wherein the royalty comprises a fee.

75. The method of claim 67, wherein the royalty comprises a commission.

25 76. The method of claim 67, wherein the royalty comprises a portion of a spread between
the sales price and bid price.

30 77. The method of claim 67, wherein the royalty comprises a portion of a fee due to an
exchange on which the transaction took place.

78. The method of claim 67, wherein the royalty comprises a portion of a fee due to any intermediary.

5 79. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the royalty to be paid to the issuing entity is due to the entity for every transaction.

10 80. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the royalty to be paid to the issuing entity is due to the entity for every predetermined number of transactions.

15 81. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the royalty to be paid to the issuing entity is due to the entity for a sets of transactions.

20 82. The method of one of claims 1, 4-9, 16-20, 36, 39, or 40, wherein the royalty to be paid to the issuing entity is due to the entity for randomly selected transactions.

25 83. The method of claim 1, 4-9, 16-20, 36, 39, or 40, wherein the royalty to be paid to the issuing entity is due to the entity for transactions involving only particular securities issued by that entity.

30 84. The method of claim 1, 4-9, 16-20, 36, 39, or 40, wherein the royalty to be paid to the issuing entity is due to the entity only for particular types of transactions.

25 85. The method of claim 84, wherein the transaction involves a transfer of all ownership rights in the security.

30 86. The method of claim 84, wherein the transaction involves a transfer of partial ownership rights in the security.

30 87. The method of claim 84, wherein the transaction involves a transfer of voting rights associated with the security.

88. The method of claim 84, wherein the transaction involves an option in the security.

89. The method of claim 88, wherein the transaction is a purchase of the option.

5 90. The method of claim 88, wherein the transaction is a closing transaction in the
option.

91. The method of claim 88, wherein the transaction is deemed to have occurred when the option expires.

92. The method of claim 88, wherein the transaction deemed to have occurred when the option is exercised.

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